capturing a sequence of images in which the object of interest occupies a fraction of each captured image[,];

tracking movement of the object of interest [by] and selecting and extracting a region of each captured image including the object of interest[,]; and

coding only the selected region of each captured image to produce a coded region.

2. (Amended) A method as claimed in claim 1 further comprising stabilizing [stabilising] the object of interest within the selected [extracted] region.

3. A method as claimed in claim 2 wherein the [extracted] selected region is selected so that the object of interest is [centred] centered within the [extracted] selected region.

4. (Amended) A method as claimed in [any one of] claim[s] 1 [to 3] further comprising:

transmitting the coded region[,]; and

decoding and displaying the selected region.

5. (Amended) A method as claimed in claim 4 wherein the [extracted] selected region is displayed in a format comprising fewer pixels than the format of the captured image.

6. (Amended) A method as claimed in [any one of] claim[s] 1 [to 5 in which] wherein the object of interest occupies less than a predetermined fraction of each captured image.

7. (Amended) A method as claimed in [any one of] claim[s] 1[-5 in which] wherein the object of interest occupies a [small] predetermined fraction of each captured image.

8. (Amended) A method of processing a video [image] including an object of interest in a sequence of images, the method comprising:

selecting a region of an image including the object of interest, the selected region being of a predetermined size[,]; and

coding the selected region.

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9. (Amended) A method as claimed in claim 8 wherein only the selected region is coded and the rest of the [captured] image is discarded.

10. (Amended) A method as claimed in claim 8 [or claim 9] wherein the selected region corresponds to a predetermined image format having fewer pixels than the format of the image [capture of the camera].

11. (Amended) A method as claimed in claim 10 wherein the [captured] image is in CIF format and the selected region is in QCIF format.

12. (Amended) A method as claimed in [any one of] claim[s] 8[to 11] wherein the selected region is scaled to compensate for movement[s] of the object of interest backward[s] and forward[s] relative to [the] a camera that captured the image.

13. (Amended) A method as claimed in [any of] claim[s] 8 [to 12] wherein the object of interest is [stabilised] stabilized within the selected region.

14. (Amended) A method as claimed in claim 13 wherein the selected region is selected [such] so that the object of interest is [centred] centered in the selected region.

15. (Amended) A method of processing a video [image] including an object of interest in a sequence of images, the method comprising:

selecting a region of [the] an image including the object of interest, wherein the selected region [and which] is [greater] larger than [the] an area occupied by the object of interest by a predetermined [degree] amount[,]; and

coding said selected region.

17. (Amended) A method as claimed in claim 15 [or claim 16] further comprising scaling the selected region to a predetermined size.

18. (Amended) A method as claimed in claim 17 wherein the predetermined size corresponds to a known image format.

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19. (Amended) A method as claimed in claim 18 wherein the [captured] image is in CIF format and the [extracted] selected region is scaled to QCIF format.

20. (Amended) A method of transmitting video images comprising:

processing the video images [according to a method as claimed in any one of claims 1 to 19,]:

transmitting [the] encoded image data of the video images[,]: and

receiving, decoding and displaying the image data.

21. (Amended) A method of operating a video camera comprising:

arranging the camera so that an object of interest occupies a fraction of [the] an area of [the] a captured image[,]:

tracking movement of the object of interest within the captured image[,]:

selecting and extracting a region [of interest] around the object of interest: and

displaying only the extracted [part of] region of the captured image.

22. (Amended) An image processing circuit comprising:

means for extracting a region of each captured image in a sequence of images including an object of interest: and

means for coding only the [selected] extracted region of each captured image.

23. (Amended) An image processing circuit comprising:

means for selecting a region of an image including an object of interest, the selected region being of a predetermined size[,]: and

means for coding the selected region.

24. (Amended) An image processing circuit comprising:

means for selecting a region of [the] an image such that [the] an object of interest occupies a predetermined percentage of the region[,] ; and

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means for coding said region.--

Please add Claims 30-62 as follows:

--30. (New) A method as claimed in claim 1 further comprising compensating for changes in size of the object of interest in the sequence of images.

31. (New) A method as claimed in claim 8 further comprising compensating for changes in size of the object of interest in the sequence of images.

32. (New) A method as claimed in claim 15 further comprising compensating for changes in size of the object of interest in the sequence of images.

33. (New) A method as claimed in claim 20 further comprising compensating for changes in size of an object of interest in a sequence of the video images.

34. (New) A method as claimed in claim 21 further comprising compensating for changes in size of the object of interest in a sequence of images.

35. (New) A method as claimed in claim 20, wherein the step of processing the video images comprises the steps of:

capturing a sequence of the video images in which an object of interest occupies a fraction of each captured image;

tracking movement of the object of interest and selecting and extracting a region of each captured image including the object of interest; and

coding only the selected region of each captured image to produce a coded region.

36. (New) A method as claimed in claim 35, wherein the step of processing the video images further comprises stabilizing the object of interest within the selected region.

37. (New) A method as claimed in claim 36, wherein the selected region is selected so that the object of interest is centered within the selected region.

38. (New) A method as claimed in claim 35, wherein the selected region is displayed

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in a format comprising fewer pixels than the format of the captured image.

39. (New) A method as claimed in claim 35, wherein the object of interest occupies less than a predetermined fraction of each captured image.

40. (New) A method as claimed in claim 35, wherein the object of interest occupies a predetermined fraction of each captured image.

41. (New) A method as claimed in claim 20, wherein the step of processing the video images comprises the steps of:

selecting a region of an image including an object of interest, the selected region being of a predetermined size; and

coding the selected region.

42. (New) A method as claimed in claim 41, wherein only the selected region is coded and the rest of the image is discarded.

43. (New) A method as claimed in claim 41, wherein the selected region corresponds to a predetermined image format having fewer pixels than the format of the image.

44. (New) A method as claimed in claim 43, wherein the image is in CIF format and the selected region is in QCIF format.

45. (New) A method as claimed in claim 41, wherein the selected region is scaled to compensate for movement of the object of interest backward and forward relative to a camera that captured the image.

46. (New) A method as claimed in claim 41, wherein the object of interest is stabilized within the selected region.

47. (New) A method as claimed in claim 46, wherein the selected region is selected so that the object of interest is centered in the selected region.

48. (New) A method as claimed in claim 20, wherein the step of processing the video

images comprises the steps of :

selecting a region of an image including an object of interest, wherein the selected region is larger than an area occupied by the object of interest by a predetermined amount; and

coding said selected region.

49. (New) A method as claimed in claim 48, wherein the object of interest occupies a predetermined percentage of the selected region.

50. (New) A method as claimed in claim 48, wherein the step of processing the video images further comprises the step of scaling the selected region to a predetermined size.

51. (New) A method as claimed in claim 50, wherein the predetermined size corresponds to a known image format.

52. (New) A method as claimed in claim 51, wherein the image is in CIF format and the selected region is scaled to QCIF format.

53. (New) A circuit as claimed in claim 22 further comprising means for tracking movement of the object of interest in the sequence of images.

54. (New) A circuit as claimed in claim 23 further comprising means for tracking movement of the object of interest in a sequence of images.

55. (New) A circuit as claimed in claim 24 further comprising means for tracking movement of the object of interest in a sequence of images.

56. (New) A circuit as claimed in claim 22 further comprising means for compensating for changes of size of the object of interest in the sequence of images.

57. (New) A circuit as claimed in claim 23 further comprising means for compensating for changes of size of the object of interest in a sequence of images.

58. (New) A circuit as claimed in claim 24 further comprising means for